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EASTERN EUROPEAN INTELLIGENCER

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Squabbling Halts Federal Funds

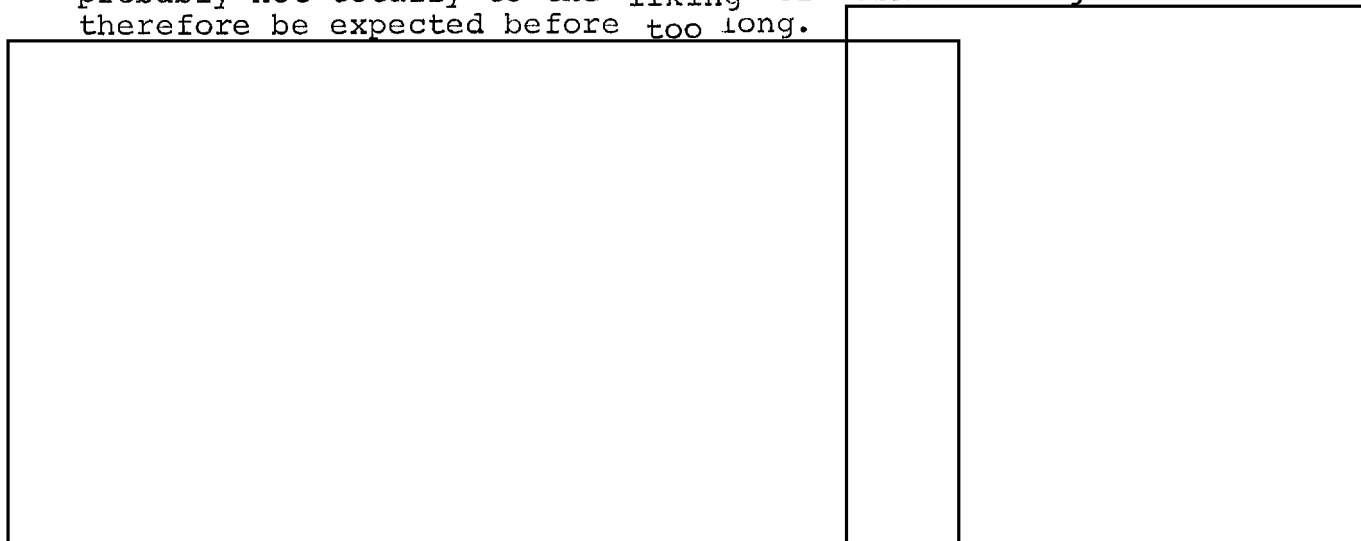
The obstinance of one of Yugoslavia's less-developed regions has halted the distribution of badly needed federal development funds. In 1966, as part of Belgrade's efforts to close the gap between the economically well-off republics to the north, and the depressed regions to the south, a fund was set up to help narrow the gap between the "haves" and "have nots." So vital is the program that in the extensive decentralization which took place last year, the continuation of this fund was one of four specific areas for which the federal government would be responsible.

Two laws passed in July 1971, defining the status and functions of the fund, have become a major bone of contention. Bosnia-Hercegovina claims it is being discriminated against and wants a larger share of the funds. Officials in Sarajevo point out that their republic occupies 52.2% of Yugoslavia's less developed land, but gets only 30.7% of the development funds. The dispute became so bitter in the first quarter of this year, that federal authorities suspended distribution of the money altogether on 1 April.

The embassy reports no solution is in sight. The money, however, is part of a major government program and federal authorities are in no mood for regional obstructionism. Some movement-- probably not totally to the liking of Bosnia-Hercegovina--can therefore be expected before too long.

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State Dept. review completed

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